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## Indonesia

**Post:** Jakarta

### NEW REGULATION ON ALCOHOLIC BEVERAGES EXCISE TAX

**Report Categories:**

FAIRS Subject Report

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**Report Highlights:**

The Indonesian Ministry of Finance recently eliminated the luxury tax on alcoholic beverages, and increased the excise tax. The new excise tax levels will be implemented on April 1, 2010.

**General Information:**

On March 17, 2010, the Ministry of Finance issued Regulation No. 62/PMK.011/2010, which consists of a higher excise tax on ethyl alcohol, beverages containing ethyl alcohol, and concentrates containing ethyl alcohol. This regulation also states that the luxury tax will no longer be applied to those products as of April 1, 2010.

**The following tables reflect the new rates of the excise tax:**

**1. Ethyl Alcohol or Ethanol**

Category	Ethyl Alcohol Content	Excise Tax (per liter)	
		Produce domestically	Import
For all kind of ethyl alcohol, level, and category		Rp. 20,000	Rp. 20,000

**2. Beverages Containing Ethyl Alcohol**

Category	Ethyl Alcohol Content	Excise Tax (per liter)	
		Produce domestically	Import
A	Up to 5%	Rp. 11,000	Rp. 11,000
B	>5% to 20%	Rp. 30,000	Rp. 40,000
C	>20%	Rp. 75,000	Rp.130,000

**3. Concentrate Contain Ethyl Alcohol**

Category	Ethyl Alcohol Content	Excise Tax (per liter)	
		Produce domestically	Import
For all type of concentrate, level, and category, as a material or processing aid for producing beverages containing ethyl alcohol		Rp. 100,000	Rp. 100,000

Previously beside the excise tax there was a luxury tax at 75% rate. **The former excise tax rate since 2006 is followed:**

## 1. Beverages Containing Ethyl Alcohol

Category	Ethyl Alcohol Content	Excise tax (per liter)	
		Produce domestically	Import
A1	Up to 1%	Rp. 2,500	Rp 2,500
A2	.1% to 5%	Rp. 3,500	Rp. 5,000
B1	>5% to 15%	Rp. 5,000	Rp. 20,000
B2	>15% to 20%	Rp. 10,000	Rp. 30,000
C	> 20%	Rp. 26,000	Rp.50,000

## 2. Concentrate Contain Ethyl Alcohol

Category	Ethyl Alcohol Content	Excise Tax (per liter)	
		Produce domestically	Import
For all type of concentrate, level, and category, as a material or processing aid for producing beverages containing ethyl alcohol		Rp. 50,000	Rp. 50,000

The current level of import duty and VAT tariff on beer, wine, and spirits as follows:

Products	HS Code	Import Duty (%)	Vat (%)
Beer	2203	40	10
Wine	2204, 2205 & 2206	150	10
	Except 2204212100, 2204212200, 2204292100, 2204292200, and 2206004000	90	10
Spirit	2208	150	10

Following is the sample how to calculate the tax expenses for importing wine (2204):

A=Import duty= 150% x CIF

B=Excise Tax=Excise tariff x Volume

C=VAT= 10% x (CIF +Import Duty + Excise Tax)

Total tax and import duty expenses is A+B+C